GOVERNMENT OF INDIA
MINORITY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:600
ANSWERED ON:02.12.2015
National Minority Development and Finance Corporation
Karandlaje Km. Shobha

Will the Minister of MINORITY AFFAIRS be pleased to state:

(a) the details of the Schemes of National Minority Development and Finance Corporation (NMDFC) and the procedure to avail concessional loans under these schemes;

(b) whether most of the beneficiaries are not in a position to avail concessional loans provided under these schemes due to complicated procedures; and

(c) if so, the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF MINORITY AFFAIRS
(SHRI MUKHTAR ABBAS NAQVI)

(a) National Minorities Development and Finance Corporation (NMDFC) provides concessional loansto minorities for self-employment and income generating activities through the State channelizing Agencies (SCAs) nominated by the respective State governments/ Union Territory (UT) Administration.

For availing assistance under NMDFC schemes, the annual family income eligibility criterion is Rs. 81,000 for rural areas and Rs. 1.03 lakh for urban areas (Credit Line-1). Higher annual household income eligibility criterion of upto Rs.6.00 lakh has also been introduced (Credit Line-2) for increasing coverage of beneficiaries under NMDFC schemes.

The schemes implemented by NMDFC are as follows:

A. Concessional Credit Schemes

1. Term Loan:-Maximum Loan of up to Rs.20.00 Lakh per beneficiary is available under Credit Line-1 at an interest rate of 6% per annum. Higher loan of maximum up to Rs.30.00 Lakh per beneficiary is available under Credit Line-2 at an interest rate of 8% per annum for male beneficiaries and 6% per annum for female beneficiaries.

2. Micro Finance:-Maximum loan upto Rs.1.00 Lakh per Self Help Group (SHG) member is available under Credit Line-1 at an interest rate of 7% per annum.Higher loan of maximum upto Rs.1.50 Lakh per SHG member is available under Credit Line-2 at an interest rate of 10% per annum for male beneficiaries and 8% per annum for female beneficiaries. The micro-finance scheme is primarily aimed at extending concessional credit to women beneficiaries.

3. Education Loan:- Under Credit line-1, the Educational Loan of upto Rs.15.00 Lakh for courses within India and Rs.20 Lakh for courses abroad, is available at an interest rate of 3% per annum for pursuing technical and professional courses with maximum course duration of 5 years. Under Credit line-2, higher Educational Loan of upto Rs.20.00 Lakh for courses within India and Rs.30 Lakh for courses abroad, is available at an interest rate of 8% per annum for male candidates and at 5% per annum for female beneficiaries.

4. Mahila Samridhi Yojana:- Skill development training is imparted to group of women in women friendly trades. Training period is of maximum 6 months with training and raw material cost of upto Rs.1,500 per women and stipend @ Rs.1,000 per women. During the period of training, the women are formed into Self Help Group, followed by infusion of micro-credit maximum upto Rs.1.00 Lakh per member for the purpose of using the skill developed during the training, for income generation activities.

B. Development Schemes:-

As part of its developmental mandate, NMDFC also implements promotional schemes like Skill Development and Marketing support for the benefit of its target groups thereby, strengthening its economic mandate, as well. Women beneficiaries are given preference. Detailsare as follows:-

1. Vocational Training Scheme:- The Vocational Training Scheme of NMDFC aims at imparting skills to the targeted individual beneficiaries leading to wage/self-employment. The scheme is implemented through the SCAs which organize need based skill development training with the help of local Government owned/recognized training institutes in trades having potential wage/self-employment. The cost of the training program is up to Rs.2000 per candidate per month for courses up to 6 months duration. Stipend @ Rs.1000 per month per trainees is also offered during the training. Under the scheme, the training institutes/implementing agencies are required to ensure employment of at least 80% trainees with at least 50% in the organized sector.

2.Marketing Assistance Scheme:- The Marketing Assistance Scheme is meant for individual crafts persons, beneficiaries of NMDFC as well as SHGs and is implemented through the SCAs. The scheme envisages to promote sale and marketing of their products at remunerative prices through participation/organizing exhibitions at State/District level.

As regards procedure to avail concessional loans under NMDFC schemes, SCAs have been delegated authority for sanction and disbursement of loan. SCAs adopt procedure as per guidelines issued by respective State Governments/ UT Administration. NMDFC has given broad guidelines to the SCAs for selection of beneficiaries and release of funds. Further, Guarantee norms for beneficiary have been simplified. No guarantee is required from beneficiaries for loans upto Rs.1.00 lakh. Now even Income Tax payee, employee from PSU/bank, prominent person from the community, any public representative etc. can stand as guarantor.

(b) No, Madam.

(c) Does not arise.

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